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(19) (CA) **APPLICATION FOR CANADIAN PATENT** (12)

(54) Method for Processing Customer Payments

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(57) 9 Claims

Abstract of the Disclosure

A creditor provides a customer with a preprinted label, and instructions to attach the preprinted label to the negotiable instrument that the customer uses to pay the creditor. The label includes the customer's creditor account number encoded in machine-readable form. When the creditor receives the negotiable instrument with the attached label, the account number is automatically read using a scanner that reads the encoded information on the label. Using a preprinted label to put a long account number on the negotiable instrument, and automatically reading the account number, decreases the number of errors that occur when processing customer payments. Fig. 2.

Claims

1. A method for processing a payment from a payer, CHARACTERIZED BY:

providing a preprinted label (22) to the payer, said preprinted label having a block of payer information;

instructing the payer to attach said preprinted label (22) to a payment instrument (20); and

reading said preprinted label (22) to obtain said block of payer information.

2. The method of claim 1, CHARACTERIZED IN THAT said step of providing a preprinted label to the payer comprises providing a label with said block of payer information in machine readable form.

3. The method of claim 2, CHARACTERIZED IN THAT said step of reading said preprinted label comprises reading said preprinted label with a means for scanning.

4. The method of claim 2 CHARACTERIZED IN THAT said step of providing a preprinted label to the payer comprises providing a label with an account number to be credited with the payment.

5. The method of claim 2, CHARACTERIZED IN THAT said step of providing a preprinted label to the payer comprises providing a label with said block of payer information in bar code.

6. The method of claim 2, CHARACTERIZED IN THAT said step of providing a preprinted label to the payer comprises providing a label with said block of payer information in MICR code.

7. The method of claim 2, CHARACTERIZED IN THAT said step of providing a preprinted label to the payer comprises providing a label with said block of payer information in postal code.

8. The method of claim 2, CHARACTERIZED IN THAT said step of providing a preprinted label to the payer comprises providing a label with said block of payer information in OCR code.

9. The method of claim 2, CHARACTERIZED IN THAT said step of providing a preprinted label to the payer comprises providing a label with a high contrast border.

Method For Processing Customer Payments

Background Of the Invention

Field of the Invention

The present invention relates to methods for processing customer payments; more particularly, an automated method for processing customer payments.

Description of the Related Art:

In the past, a creditor processed payments by sending a payment stub and/or bill to a customer. The customer or payer then completed a negotiable instrument such as a personal check and returned the check to the creditor or payee. The customer or payer was typically instructed to include the customer's creditor account number on the negotiable instrument. The customer's creditor account number was included on the negotiable instrument to help ensure that the proper account was credited with the customer's payment. Unfortunately, these account numbers normally included a large number of digits which became a source of errors. The errors arose when the customer or payer incorrectly copied the long account number onto the negotiable instrument, when the creditor improperly entered the account number from the negotiable instrument while crediting the payment, or when the creditor simply misread a sloppily written account number. In any case, these errors result in customer dissatisfaction and unnecessary costs for the creditor.

Presently, a preprinted machine-readable code is printed on negotiable instruments such as a check. Typically, this information is information such as a bank account number that is used by the bank which will eventually pay on the negotiable instrument. This information is useful to the bank; however, it is not useful to the creditor because the payer's or customer's account number with the creditor is not the same as the account number used by the bank.

Summary of the Invention

The present invention provides a sticker or label that is sent to the customer with the creditor's bill. The label includes the customer's creditor account number in a

machine-readable form. The customer attaches the sticker to the negotiable instrument that is used to pay the creditor. When the creditor receives the negotiable instrument, the customer's account number is automatically read from the sticker without the errors associated with the customer transcribing the number incorrectly, or with the creditor misreading or mistyping the customer's account number.

Brief Description of the Drawings

FIG. 1 illustrates a negotiable instrument with a handwritten account number;

FIG. 2 illustrates a negotiable instrument with a machine-readable label attached to the instrument;

FIG. 3 illustrates a label with MICR font characters;

FIG. 4 illustrates a label with OCR font characters; and

FIG. 5 illustrates a label with postal-type code.

Detailed Description of the Invention

FIG. 1 illustrates a negotiable instrument such as a personal check that is used for providing a payment to a creditor. Check 10 typically includes account number 12 which is hand-written by the customer or payer. Account 12 refers to the payer's account with the creditor. The account number is included to help ensure that the payer's account is credited with the payment. Account number 12 typically includes a large number of digits and is the source of many errors that may be generated by the payer writing the number incorrectly, or by the creditor incorrectly reading or entering the number.

FIG. 2 illustrates a negotiable instrument or personal check 20 with preprinted label 22 affixed to the instrument. Preprinted label 22 has a block of customer or payer information in the form of a bar code. The information that is encoded in the bar code may be information such as the customer's account number with the creditor, the customer's telephone number, the customer's name, current account information, or other customer information.

When the creditor sends a bill to the customer, included in the bill is a preprinted sticker, such as sticker 22. The bill includes instructions asking the customer to affix the

sticker to the negotiable instrument or payment instrument that is used when paying the bill. Typically, the creditor receives the negotiable instrument and affixed sticker from the customer or payer via a postal service. The creditor then continues to process the payment by passing the check through a scanner such as a bar code reader, an optical character reader, an MICR character reader, or a postal code reader to extract the account number or other customer information from the sticker attached to the check. By using the scanner to automatically read the account number, errors introduced by improperly entering an account number into a data base or by having difficulty reading the customer's handwriting are avoided.

Any type of machine-readable code can be used to provide the customer information that is on the label. The code used to place the customer information on the label should be compatible with the scanner that is used to read the label when the negotiable instrument is received by the creditor. Machine-readable codes such as OCR (Optical Character Recognition) fonts, MICR (Magnetic Ink Character Recognition) fonts, or postal code fonts may be used to encode the customer information on the label. MICR fonts, OCR fonts and postal code fonts are illustrated in FIGs. 3, 4 and 5 respectively. It is desirable to use a font such as an OCR font because an OCR font is both machine-readable and human-readable. A human-readable font offers the advantage of enabling a human operator to manually input the account number when the scanner is unable to read the label.

Label or sticker 22 may have an adhesive back similar to that of a postage stamp so that it is activated by moistening the adhesive surface. It is also possible to provide an adhesive backing that is protected by a peel-away film that exposes the adhesive once the film is removed. Label or sticker 22 may include a brightly colored background and/or border, or it may have a distinctive shape or pattern.. A high contrast color, shape or pattern in the label's background and/or border facilitates automatically reading the sticker by making it easier for the scanner to locate the sticker on the payment instrument.

FIG. 1 PRIOR ART

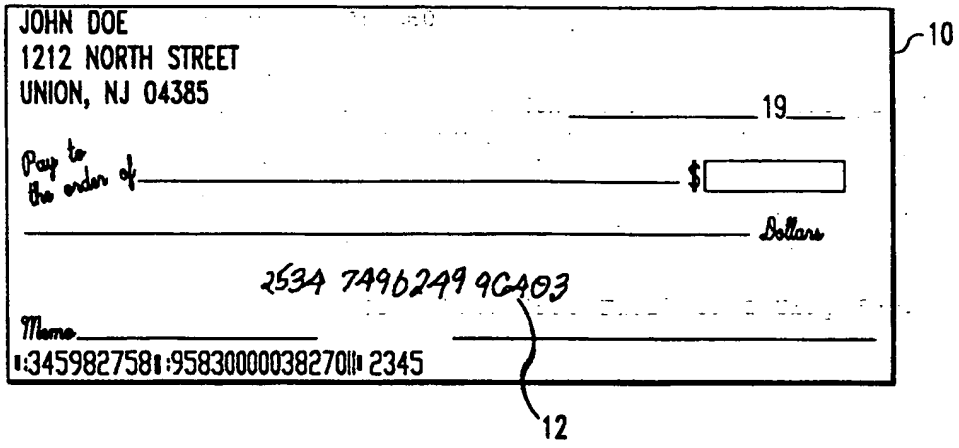

FIG. 2

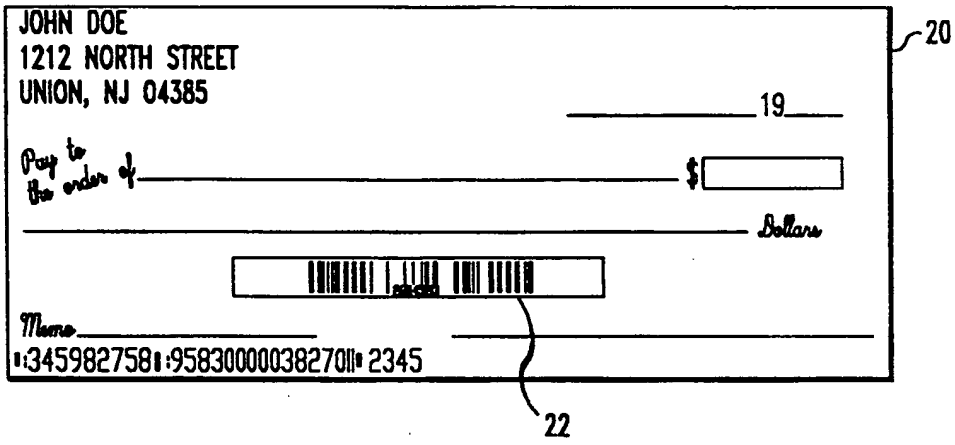

FIG. 3

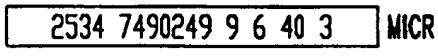

FIG. 4

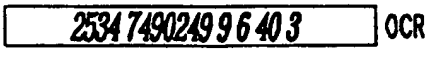

FIG. 5